



**CITY OF HUNTINGTON BEACH**  
**FINANCE BOARD MINUTES**  
**WEDNESDAY, AUGUST 11, 2010 AT 6:00 PM**  
**CIVIC CENTER, LOWER LEVEL, ROOM B-7**

**1) CALL TO ORDER:** At 6:02 PM, Chair Falzon called the meeting to order.

Present: Members: Garcia, Houston, Jones, King, and Peterson

Member LoGrasso arrived after the approval of the July 14 minutes.

Staff: Bob Wingenroth, Director of Finance and Carrie Gonzales, Administrative Assistant

Citizen: Britney Barnes, Reporter for the Independent

**2) PUBLIC COMMENTS:**

Britney Barnes introduced herself and stated she is trying to attend at least one of each of the City's Board/Committee meetings.

**3) APPROVAL OF MEETING MINUTES:**

July 14, 2010 – Member King made a motion to approve the minutes as written, seconded by Member Houston. The motion was approved 5-0-1. (Member Garcia abstained and Vice Chair LoGrasso absent)

**4) STAFF REPORTS/BUSINESS ITEMS:**

**a) Chairman's Update**

Chair Falzon asked staff if they have an update on the Sunset Beach Annexation. Bob Wingenroth stated the City would move forward with the annexation application. The City's goal is to have this process done by end of the calendar year however; it has a number of activities that need to be completed in order to accomplish this process. The Board inquired if there would be an immediate increase in revenue. Bob Wingenroth stated there would be an additional increase the first two years if the County continues to pay for the beach maintenance.

The Board discussed the salary issues being reported out of the City of Bell, California. The Chair asked whether Huntington Beach salaries would be available online. Staff indicated that a project to report executive salaries was underway and would be shared with the Board at the September meeting.

**b) Strategic Plan Updates**

Bob Wingenroth led a discussion on the updates on the strategic plans:

- Bob Wingenroth distributed a copy and led a discussion on FY 2010/11 proposed budget PowerPoint.
- Board Members suggested that the 5 Year Financial Plan should include escalating health care costs.
- Capital Improvement Reserve Policy – He stated the City could not spend out of any reserve without City Council approval.
- Equipment Replacement Policy – This is still in the working draft form.
- Employee Updates on the Budget – The City Administrator presented the budget update to the employee groups on July 29.

**c) Unfunded Liabilities**

Discussed the unfunded liability associated with employee pensions. Board Members stated that the private sector has been moving away from defined benefit plans since the 1980's. Board had a consensus discussion that it would be prudent for the City of Huntington Beach to move away from a defined benefit plan and move towards a defined contribution plan. Board discussion supported the opinion that it would be best to make a written recommendation to the City Council. Discussion also supported that time is of the essence and that a Special Meeting would be the best forum to finalize



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such a recommendation. Board Member LoGrasso made a motion, seconded by Member Jones, to hold a Special Meeting on August 17, 2010 in Room B-7 to develop and finalize a recommendation to the City Council regarding the city's unfunded liability. The Motion was approved 7-0.

**5) OPEN/CLOSED ITEM LIST:**

No discussion was held, will be reviewed at the 9/8/2010 meeting.

**6) COMMENTS FROM BOARD MEMBERS:**

The Board Members would like the following items on the 9/8/2010 agenda:

- Chairman update
- Budget update
- Salaries
- Unfunded liabilities
- Finance Board Annual Report

**7) INFORMATION ITEMS:**

There was no additional information.

**8) ADJOURNMENT:**

Member King made a motion at 8:41 PM to adjourn the meeting to a special meeting on Tuesday, August 17, 2010, at 5:30 PM in meeting room B-7, seconded by Member Peterson. The motion was approved 7-0.

Respectfully submitted by:  
Bob Wingenroth, Director of Finance  
Secretary to the Finance Board